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Good morning. I am Lori Luchak, and I am the Vice President and Marketing Director of Miles Fiberglass & Composites. We employ 60 people in our two plants located in Oregon. Our company manufactures component parts for the RV industry, interior/exterior parts for the light rail train industry, railcar liners for the heavy rail industry, equipment housings for the medical equipment manufacturers, and lubrication pits for truck/car lubrication centers. I'm here representing the 1,000 member companies of the American Composites Manufacturers Association.

There are a number of challenges to successful manufacturing in the US today. High and unpredictable energy costs make it too expensive to buy raw materials and run our plants. The cost and threat of groundless lawsuits drains millions of dollars of productive capital out of our economy and dampens our country's entrepreneurial spirit. Estate taxes unfairly burden small family-owned manufacturers. And imports from foreign countries with unfair monetary practices and poor labor and environmental conditions make it hard to keep Americans employed.

But today I'd like to talk about how excessive and unreasonable regulations can make it harder for manufacturers like Miles Fiberglass & Composites and others in my industry to grow our businesses and employ people in communities across America.

Our industry supported the recent OMB initiative to identify specific regulations needing reform to lessen unnecessary burdens on manufacturers. Of the 76 regulations identified by OMB and federal agencies as justifying reform measures, several directly or indirectly impact the composites industry, including EPA's AP-42 emission factors, Title V operating permits, "potential to emit" and "volatile organic compound" definitions,

hazardous waste identification rules, and OSHA's adoption of updated versions of national consensus standards.

But beyond these targeted efforts, we'd like to suggest some general principles for rulemaking that the Committee might consider in its oversight of the regulatory process. These general principles are drawn from our efforts over the years to work in partnership with government agencies to protect the health of our workers and neighbors.

First, industry and other stakeholders should be given a "seat at the table" very early in the development of any regulation, policy, or determination. Stakeholders often have data on feasibility, health impacts, control options, energy use, costs and other factors – or can readily develop such information – that can play a key role in shaping the early development of rules, policy or determinations. For example, in large part because of the extensive data and analysis provided by industry, EPA's recently issued "maximum achievable control technology" standards for composites manufacturing set aggressive control requirements while still giving my industry the cost-effective control options we need to continue making products and innovating to serve new markets.

But too often, we find that agencies are already well along before they sit down with us and start accepting our input. At this point, agencies have spent months or years developing narrow approaches based on lesser-quality data, analyses, viewpoints, and assumptions. Our information, if brought into the development process from the start, can result in better decision making and more efficient regulatory development. When stakeholders are brought in only late in the development process, we run the risk that the agency will argue that it is not able to consider our suggested alternative approaches

because their regulatory schedule does not allow them to back up and collect the necessary data or do the needed analysis in time for the required decision.

Second, the development of rules, policy, guidance or determinations should be managed transparently. By this we mean that all the data and analysis that may be relied on by an agency should be made available for stakeholder review as early as reasonably possible. Further, all decision makers and peer reviewers who may be involved should be identified, and stakeholders allowed a reasonable opportunity to present data, analysis and other information to these decision makers and reviewers. There should be no "black boxes" – that is, no data or decision making processes that are not open to at least some level of reasonable stakeholder input. Agencies often argue that the "integrity" of the system requires them to keep stakeholders less involved; however, we believe the opposite is true. Without the opportunity for meaningful and open stakeholder involvement, the integrity of the decision-making process is often significantly compromised.

Third, regulatory agencies should embrace the use of the best quality data at every stage of developing rules, determinations, or policy. This should include internal checks on data quality as well as timely opportunities for stakeholders to informally appeal data quality decisions before poor quality data is used to prepare and justify preliminary or draft agency decisions.

Finally, agencies should be more willing to take responsibility for the full economic and societal impacts of regulatory actions and determinations. Efforts by regulators and government health scientists to consider the economic, competitive, and other broad impacts of proposed rules, policies or determinations are often precluded by

narrow program objectives, or are no more than meaningless "check the box" responses to OMB or Congressional directives completed after the key decisions have been made. These impacts assessments can be difficult and time consuming, but actions promulgated without considering these impacts can needlessly result in severe damage to our ability to make products and provide employment.

We are currently participating in a pilot project conducted by EPA's Air Office to involve stakeholders very early in the development of a smaller rule involving our industry. We applaud EPA for taking the initiative in this case to study better ways of gaining stakeholder participation, increase transparency, and improve the quality of data and analysis used in a rulemaking, and we look forward to EPA's eventual application of the lessons learned during this pilot to other rulemaking programs.

However, there is another area where we are very concerned that the lack of stakeholder involvement, transparency, and responsibility for down-stream consequences may have a severe impact on our and other industries. Three independent health hazard assessments are currently underway on a chemical widely used in the composites industry. One of these assessments is being managed by EPA in the form of an update to the Integrated Risk Information System listing for this chemical, and the other two are being managed by the HHS National Toxicology Program.

We and the scientific experts in our broader industry are working hard with EPA and NTP to increase our ability to provide data and analysis, improve the transparency of the processes, minimize unwarranted harm to our industry, and improve coordination among these three programs. However, in different ways, the decision making processes

employed by these agencies seem to be designed to minimize stakeholder scientific input and to ignore the potential economic consequences of their decisions.

Scientific health assessments have traditionally been carried out behind closed doors in the Federal government, with stakeholders learning of the results and the underlying reasoning only after the assessments are sent out to external peer review or announced to the public. And while the agencies intend the assessments to serve as inputs to subsequent site-specific risk management activities, in reality the assessments are often taken by local regulators and members of the public as the "final answer" regarding the risk of chemical health effects, with serious unwarranted consequences to manufacturers.

We believe a more collaborative endeavor among all the knowledgeable parties, including those scientists who work for or with stakeholders, is the most sure way to arrive at both the best possible scientific conclusions and the best ways to communicate these conclusions to local risk mangers, workers, and plant neighbors. In addition, greater coordination among the agencies carrying out these health assessments would make it easier for stakeholders to participate, and would avoid the likelihood of conflicting announcements of potential health effects by different agencies. Today, each of these agencies schedules its work independently.

To summarize, our experience has shown that adoption of the following principles would result in a more effective partnership of government and industry to protect the public health:

- A seat for stakeholders at the table early in the regulatory process;

- A transparent development process, with stakeholders given a reasonable opportunity to present data and discuss regulatory options;
- A clear commitment to using the best available science in making decisions, with an opportunity for stakeholders to point out where they believe this commitment is not being fulfilled;
- A meaningful commitment to understand the economic and societal impacts of all actions before decision are made to pursue them; and
- Improvements in the openness of the scientific health assessment processes of the Federal agencies, and efforts to coordinate their reviews and avoid overlap and duplication.

These are the principles that, in our small way, we are attempting to express and promote in our interactions with these regulatory agencies in the context of the specific ongoing assessments and regulations about which we are concerned. However, we hope that because these principles are of a wider scope, they may be helpful to the Committee in framing its oversight and any possible legislation or guidance to the regulatory agencies and the Administration as a whole.

Our industry is proud of our record of working both independently and in partnership with regulatory agencies to protect the health of our workers and neighbors. Our industry sponsored a thorough review of health risks by the Harvard School of Public Health in 2002, and we comply with the recommendations made by the Harvard panel. Our industry also voluntarily negotiated with OSHA to establish a recommended occupational exposure limit well below the official OSHA limit. And we continue a 15

year – $15million history of conducting state-of-the-art research to make sure we fully understand the health risks that may result from our operations.

I appreciate the opportunity to deliver these comments to you today, and we would welcome any request by this Committee for assistance in helping to improve the regulatory climate for manufacturers in America while still protecting the health of our employees and neighbors.